



## *City of Takoma Park*

Dear City Staff:

We are very pleased that the City of Takoma Park can offer you a comprehensive and competitive benefit program.

Our program achieves this by featuring comprehensive coverage, flexibility and choice. If you are a regular full-time or regular part-time employee and are scheduled to work a minimum of twenty (20) hours per week, you are eligible for all of the benefits described in this booklet, effective on your date of hire, unless otherwise noted.

We hope that this benefit program reassures you and your family that the City of Takoma Park wants to create a positive and supportive work environment for you – an environment that allows you to dedicate your efforts toward our mission of providing timely and effective services to all of our customers.

Should you need further assistance with your benefits, please do not hesitate to call Human Resources at 301-891-7201.

Sincerely,

T. Wayne Hobbs  
Deputy City Manager

Karen E. Hampton  
Human Resources Manager

# BENEFIT OVERVIEW

## **Eligibility Requirements**

New regular full-time employees or regular part-time employees who work twenty (20) hours or more, may enroll in the medical, dental and vision plans effective with the date of hire, unless otherwise noted.

## **Medical-Aetna/Kaiser Permanente Health Plans**

Employees may choose from the Aetna HMO or the Aetna Point-of-Service Plan. The Kaiser Permanente Signature HMO and Point-of-Service plans are only available to employees currently enrolled.

## **Dental- Aetna**

Employees may choose either the DMO Fee Scheduled plan or the PPO plan. (The Kaiser medical plan includes a discounted dental program at no additional premium cost.)

## **Vision- Vision Service Plan**

Employees are offered a vision plan. (The Aetna and Kaiser medical plans include a routine eye exam.)

## **Life/AD&D/Long-Term Disability- Sun Life Financial**

Enrollment in these plans is automatic and premiums are paid entirely by the City of Takoma Park.

## **Supplemental Insurance- Colonial Life**

Employees are offered additional insurance for: Disability, Accident, Cancer, Universal Life and Term Life Insurance on a voluntary basis. Enrollment in these plans is voluntary and premiums are paid entirely by the employee.

## **State of Maryland Retirement**

All benefit-eligible employees (except sworn officers) are automatically enrolled in this plan. Employees are required to contribute 2% of their earnable compensation to the retirement system.

## **Takoma Park Police Retirement**

All Takoma Park sworn officers are automatically enrolled in this plan. Sworn officers are required to contribute 7% of their earnable compensation to the retirement system.

## **457 Deferred Compensation Plan**

The City of Takoma Park sponsors a 457 Retirement plan through I.C.M.A. Employees contribute to this plan unless otherwise noted.

## **Section 125 Premium Conversion Plan**

To help reduce your benefit costs, City of Takoma Park sponsors a Section 125 Plan. This plan allows you to use pre-tax dollars to pay for any required contributions to medical coverage.

## **Flexible Spending Accounts (FSA)**

The Medical Care FSA helps you cover those medically necessary expenses not covered, or only partially covered, by your health, dental and/or vision insurance. The Dependent Care FSA helps you pay for dependent care expenses for a child or elderly adult.

### **HIPAA- Release of Protected Health Information**

Authorization from employees to allow Human Resources to investigate claim issues on their behalf.

### **COBRA**

Continuation of group health coverage for employees and dependents losing coverage due to a qualifying event.

### **Tuition Reimbursement**

Employees are eligible to apply for tuition reimbursement for educational expenses in a job related field. Reimbursement must be pre-approved and will be paid upon receiving a passing grade for course credit up to the per credit cost set forth by the University of Maryland College Park. A maximum of 6 credits will be allowed per college semester. See Personnel Regulation 91-4.

### **Employee Assistance Program (EAP)**

Employees and their family members are eligible to confidentially take advantage of full counseling services through Magellan EAP at no cost. You can reach the EAP counselor at 1-800-523-5668 or Hearing Impaired/TTY 1-800-882-7610.

### **Direct Deposit**

Direct deposit of bi-weekly pay is available for all employees.

### **Legal Resources**

A legal benefit plan is available to all employees at a cost. Employees can get advice, consultation and court-room representation for commonly used legal services.

### **Montgomery County Employees Federal Credit Union**

Employees and their family members are eligible for membership and to receive all the benefits associated with the Credit Union.

### **Employees are also eligible for the following additional benefits:**

Training Opportunities	Free Membership to the Takoma Park Recreation Center
Professional Membership	Computer Loan Program
Service & Recognition Awards	Police Dispatcher Training Pay
Employee Annual Social Events	Multi-Lingual Pay Differential

### **Holidays**

Each year, while actively working, you will be entitled to receive the following 10 ½ paid holidays:

New Year's Day	Independence Day	Day after Thanksgiving
Martin Luther King, Jr. Day	Labor Day	Christmas Eve (½ day)
President's Day	Veteran's Day	Christmas Day
Memorial Day	Thanksgiving Day	

# BENEFIT OVERVIEW continued

## Personal Leave

Full-time employees earn personal leave according to the following schedule:

<u>Length of Service</u>	<u>Number of Personal Days</u>
0-5 years	1
Over 5-10 years	2
Over 10-15 years	3
Over 15-20 years	4
Over 20+ years	5

Personal days must be used in the year earned (use or lose) and may not be used in hourly increments.

## Sick Leave

Full-time employees earn sick leave at the rate of 10 hours per month (15 days per year) with unlimited accumulation. Part-time employees earn sick leave on a pro-rated basis.

## Vacation

Full-time employees earn vacation according to the following schedule:

<u>Length of Service</u>	<u>Monthly Accrued</u>	<u>Annual Accrued</u>
0-5 years	8 hours (1 day)	12 days
Over 5-10 years	12 hours (1 ½ days)	18 days
Over 10 years	16 hours (2 days)	24 days

Vacation carry over into a new calendar year is limited to 30 days.

Part-time employees earn vacation on a pro-rated basis.

New employees may not use annual leave during the first 90 days of employment.

Annual leave may be used in hourly increments.

**For more information on Leave benefits, see the appropriate governing documents.**

## Domestic Partner Benefits

The City of Takoma Park recognizes the diversity of families and extends health benefits to domestic partners and their dependents.

## CHILDREN'S HEALTH INSURANCE PROGRAM

Depending on your income and family size, medical coverage may be available to your children through the Federal Children's Health Insurance Program, which is administered through each state. If you qualify for this program, you will pay little or no cost for coverage for children and pregnant women. You may visit the main website at [www.insurekidsnow.gov](http://www.insurekidsnow.gov) or contact toll free 1.877.Kids.Now (543.7669) for more information.

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This booklet provides a brief summary of the plans offered by the City of Takoma Park and in no way serves as the Summary Plan Description or plan document for the plans. If there are any discrepancies between this booklet and the plan documents, the plan documents will govern. You may contact the City of Takoma Park Human Resources if you wish to see the plan documents. v. 1.06

# MEDICAL BENEFITS Aetna

**PLEASE NOTE:** The benefits shown are based on Maryland State Mandated benefits. Benefits and limitations may differ for other states. See the Certificate of Coverage for specifics.

## HMO

### MEMBER RESPONSIBILITY

<b>Deductible</b> - Individual/Family	None
<b>Coinsurance</b>	None
<b>Out-of-Pocket Max</b> - Individual/Family	\$1,500/\$3,000
<b>Lifetime Maximum Benefit</b>	Unlimited
<b>Office Visits</b>	
Primary Care Physician	\$10
Specialist	\$15
Well Child Care	\$10
Routine GYN	\$15
Diagnostic Lab & X-ray Testing	\$15
<b>Hospitalization</b>	
Inpatient Services <sup>1</sup>	Covered in full
Outpatient Surgery	Covered in full
<b>Maternity</b>	
Delivery & Inpatient Services <sup>1</sup>	Covered in full
Pre & Postnatal Visits	\$15; 1st visit only
<b>Emergency Services</b>	
Emergency Room Visit - waived if admitted	\$50
Urgent Care Facility	\$25
<b>Physical, Speech &amp; Occupational Therapy</b>	\$15
<b>Mental Health/Substance Abuse</b>	
Inpatient Services <sup>1</sup>	Covered in full
Outpatient Visits- 1-5	\$15
6-30	\$25
31+	\$35
<b>Durable Medical Equipment</b>	Covered in full
<b>Prescription Drugs</b>	\$5/\$15 (Mandatory Generic) <sup>2</sup>
Retail up to 31 day supply	\$10/\$30
Maintenance up to 90 day supply Mail Order and Retail	Covered in full
<b>Vision</b>	
Annual Eye Exam	\$15

<sup>1</sup> Requires Pre-Certification.

<sup>2</sup> If a generic drug is available and a brand-name drug is dispensed, members will pay \$15 plus the difference between the brand-name and generic cost. Note: If physician writes "Dispense as written" member will pay the brand-name copay only.

# MEDICAL BENEFITS Kaiser Permanente

\* only available to employees currently enrolled in plan

## Signature HMO\*

### MEMBER RESPONSIBILITY

<b>Deductible</b> - Individual/Family	None
<b>Coinsurance</b>	None
<b>Out-of-Pocket Max</b> - Individual/Family	None
<b>Lifetime Maximum Benefit</b>	Unlimited
<b>Office Visits</b>	
Primary Care Physician	\$15; \$0 children up to age 5
Specialist	\$25; \$0 children up to age 5
Well Child Care	\$15; \$0 children up to age 5
Routine GYN <sup>1</sup>	\$15
<b>Diagnostic Lab &amp; X-ray Testing</b>	Covered in full
<b>Hospitalization</b>	
Inpatient Services <sup>2</sup>	\$100 co-pay
Outpatient Surgery	\$25
<b>Maternity</b>	
Delivery & Inpatient Services <sup>2</sup>	\$100 copay
Pre & Postnatal Visits	Covered in full
<b>Emergency Services</b>	
Emergency Room Visit - waived if admitted <sup>1</sup>	\$75
Urgent Care Facility <sup>1</sup>	\$25
<b>Physical, Speech &amp; Occupational Therapy</b>	\$15/\$25
<b>Mental Health/Substance Abuse<sup>3</sup></b>	
Inpatient Services	\$100 co-pay
Outpatient Visits	\$20 individual/\$10 group
<b>Durable Medical Equipment</b>	Covered in full
<b>Prescription Drugs</b>	
Plan Pharmacy	\$15
Participating Network Pharmacy	\$25
<b>Dental</b>	
Preventive Services	\$30
<b>Vision</b>	
Annual Eye Exam <sup>1</sup>	\$15/\$25
Lenses- every 12 months	75% of charges
Frames- every 12 months	75% of charges
Medically Necessary Contact Lenses	85% of charges

\*Members must choose a Primary Care Physician from a Kaiser Permanente Center.

<sup>1</sup> Services may be obtained without a referral from the Primary Care Physician but must be provided by a Plan Physician/Provider.

<sup>2</sup> Requires Pre-Certification.

<sup>3</sup> Services may be obtained without a referral from the Primary Care Physician but must be provided through the Plan's managed care system.

# MEDICAL BENEFITS Aetna

## POS (Point-of-Service)

### MEMBER RESPONSIBILITY

	In-Network	Out-of-Network <sup>1</sup>
<b>Deductible</b> - Individual/Family	None	\$200/\$400
<b>Coinsurance</b>	None	20%
<b>Out-of-Pocket Limit</b> - Individual/Family	None	\$2,000/\$4,000
<b>Lifetime Maximum Benefit</b>	Unlimited	\$1,000,000
<b>Office Visits</b>		
Primary Care Physician	\$10	Ded., then 20% of PA
Specialist	\$15	Ded., then 20% of PA
Well Child Care (includes immunizations)	\$10	See Insurance Certificate
Routine GYN	\$15	No Benefit
<b>Diagnostic Services, X-ray and Lab Tests</b>	\$15	Ded., then 20% of PA
<b>Hospitalization</b>		
Inpatient Services	Covered in full	Ded., then 20% of PA
Outpatient Surgery	Covered in full	Ded., then 20% of PA
<b>Maternity</b>		
Delivery and Inpatient Services	Covered in full	Ded., then 20% of PA
Prenatal and Postnatal Care	15; 1st visit only	Ded., then 20% of PA; 1st visit
<b>Emergency Services</b>		
Emergency Room Visit - waived if admitted	\$50	Paid as In-Network
Urgent Care Facility	\$25	N/A
<b>Physical, Speech &amp; Occupational Therapy</b>	\$15	Ded., then 20% of PA
<b>Chiropractic</b>	\$15; 20 visits	Ded., then 20% of PA; \$1,000/yr (no limit in NY)
<b>Mental Health/Substance Abuse</b>		
Inpatient Services	Covered in full	Ded., then 20% of PA
Outpatient Visits - 1-5	\$15	Ded., then 20% of PA
6-30	\$25	Ded., then 35% of PA
30+	\$35	Ded., then 50% of PA
<b>Durable Medical Equipment</b>	Covered in full	Ded., then 20% of PA
Prescription Drugs	Generic/Preferred Brand/Non-Preferred Brand	
Retail - up to 31 day supply	\$5/\$15	N/A
Maintenance - up to 90 day supply Retail or Mail Order	\$10/\$30	N/A
<b>Vision</b>		
Routine Eye Exam	\$15	No Benefit

PA = Plan Allowance

<sup>1</sup> Member precertification required or benefits will be substantially reduced.



# MEDICAL BENEFITS Kaiser Permanente

\* only available to employees currently enrolled in plan

## Signature POS

### MEMBER RESPONSIBILITY

	In-Network*	Out-of-Network <sup>4</sup>
<b>Deductible</b> - Individual/Family	None	\$500/\$1,000
<b>Coinsurance</b>	None	30%
<b>Out-of-Pocket Max</b> - Individual/Family	\$3,500/\$9,400	\$5,000/\$10,000
<b>Lifetime Maximum Benefit</b>	Unlimited	\$1,000,000
<b>Office Visits</b>		
Primary Care Physician	\$15; \$0 children up to age 5	30% after deductible
Specialist	\$25; \$0 children up to age 5	30% after deductible
Well Child Care	\$15; \$0 children up to age 5	30% after deductible
Routine GYN	\$15 <sup>1</sup>	30% after deductible
<b>Diagnostic Lab &amp; X-ray Testing</b>	Covered in full	30% after deductible
<b>Hospitalization</b>		
Inpatient Services <sup>2</sup>	\$100	30% after deductible
Outpatient Surgery	\$25	30% after deductible
<b>Maternity</b>		
Delivery & Inpatient Services <sup>2</sup>	\$100	30% after deductible
Pre & Postnatal Visits	Covered in full	30% after deductible
<b>Emergency Services</b>		
Emergency Room Visit - waived if admitted	\$75 <sup>1</sup>	\$75
Urgent Care Facility	\$15/\$25	30% after deductible
<b>Physical, Speech &amp; Occupational Therapy</b>	\$25 per visit	30% after deductible
<b>Mental Health/Substance Abuse</b>		
Inpatient Services	Covered in full <sup>3</sup>	30% after deductible
Outpatient Visits	\$20 individual/\$10 group <sup>3</sup>	30% after deductible
<b>Durable Medical Equipment</b>	Covered in full	30% after deductible
<b>Prescription Drugs</b>		
Plan Pharmacy	\$15 Generic/\$25 Brand	\$15/\$25 Mail Order
Participating Network Pharmacy	\$21/\$37	\$21/\$37
<b>Dental</b>		
Preventive Services	\$30	\$30
<b>Vision</b>		
Annual Eye Exam	\$15/\$25	30% after deductible
Lenses- every 12 months	75% of charges	90% of charges
Frames- every 12 months	75% of charges	90% of charges
Medically Necessary Contact Lenses	85% of charges	95% of charges

\*Members must choose a Primary Care Physician from a Kaiser Permanente Center.

1 Services may be obtained without a referral from the Primary Care Physician but must be provided by a Plan Physician/Provider.

2 Requires Pre-Certification.

3 Services may be obtained without a referral from the Primary Care Physician but must be provided through the Plan's managed care system.

4 Members may be responsible for amounts over the Plan Allowance when using a non-participating provider for care.

# DENTAL BENEFITS Aetna

MEMBER RESPONSIBILITY	DMO <sup>1</sup> - Fee Scheduled Plan
<b>Office Visit Copay</b>	No charge
<b>Diagnostic</b>	
Exam- Periodic or Comprehensive	No charge
X-ray, Bitewing, 1 Film, 2 Films, 4 Films	No charge
X-Ray, Panoramic Film	No charge
<b>Preventive</b>	
Prophylaxis- Adult & Child (Limit- 2 per year)	No charge
Topical Application of Fluoride (1 per year under age 16)	No charge
Sealant- Per Tooth (under age 16)	No charge
<b>Restorative</b>	
Amalgam- 1 Surface	\$10
Amalgam- 4 or More Surfaces	\$18
Resin- 1 Surface, Anterior	\$15
Resin- 4 or More Surfaces or Incisal Angle, Anterior	\$35
Resin-Based Composite Crown, Anterior	\$50
<b>Crowns/Bridges<sup>2</sup></b>	
Inlay, Metallic, 1 Surface	\$180
Onlay, Metallic, 3 Surfaces	\$180
Pontic or Crown, Porcelain Fused to Metal*	\$210
Core Buildup, Including Pins	\$40
Cast Post & Core, in addition to Crown	\$70
<b>Endodontics</b>	
Root Canal, Bicuspid	\$85
Root Canal, Molar	\$240
<b>Periodontics</b>	
Gingivectomy or Gingivoplasty per Quadrant (Limit- 1 per quad every 3 years)	\$100
Periodontal Scaling/Root Planing per Quadrant (Limit- 4 sep. quads every 2 years)	\$45
<b>Prosthodontics-Removable<sup>3</sup></b>	
Complete Upper or Lower Denture	\$275
Upper or Lower Partial Cast Metal Base-Including Clasps, Rests & Teeth	\$350
<b>Repairs to Prosthetics</b>	
Repair Broken Acrylic, Complete Denture Upper or Lower	\$25
Replace Broken Tooth or Add Tooth to Existing Partial	\$35
Rebase Complete or Partial Upper or Lower Denture	\$86
<b>Oral Surgery</b>	
Extraction, Erupted Tooth, Exposed Root	\$11
Surgical Extraction of an Erupted Tooth	\$28
Removal of Impacted Tooth, Completely Bony	\$100
<b>Other (Adjunctive) Services</b>	
Occlusal Guards-for Bruxism only (Limit- 1 every 3 years)	\$70
<b>Emergency Services</b>	
Oral Evaluation, Problem Focused	No charge
Emergency Palliative Treatment	\$10
<b>Orthodontics<sup>1</sup></b>	
Comprehensive Treatment- Adolescent or Adult	\$1,545
Orthodontic Retention	\$275

<sup>1</sup> All care must be received by or referral from the Primary Care Dentist selected from the network of participating DMO dentists. Members may use a participating Orthodontist without a referral.

<sup>2</sup> All charges for Crown and Bridge are per unit. Additional patient charges are imposed for the actual cost for gold/high noble metal for the procedure(s) with an asterisk (\*).

<sup>3</sup> Includes relines, adjustments, rebases within the 1st 6 months. Adjustments to dentures done within 6 months of placement of the denture, are limited to 4 adjustments.

# DENTAL BENEFITS Aetna

## PPO

### MEMBER RESPONSIBILITY

	In-Network	Out-of-Network <sup>2</sup>
Class I Preventive	Covered in full	Covered in full
Class II Basic	20% after deductible	20% after deductible
Class III Major	50% after deductible	50% after deductible
Class IV Orthodontia <sup>1</sup>	50%	50%
<b>Deductible</b>		
Class I	None	None
Classes II & III Individual/Family	\$50/\$150	\$50/\$150
Class IV	None	None
<b>Annual Maximum</b>		
Classes I-III	\$1,000 per person	\$1,000 per person
Class IV	\$1,000 per lifetime	\$1,000 per lifetime

1 Available to Adults and Children.

2 Members may be responsible for amounts over the Plan Allowance when using a non-participating provider for care.

# VISION BENEFITS Vision Service Plan

## PPO

### MEMBER RESPONSIBILITY

	In-Network	Out-of-Network <sup>3</sup>
<b>Eye Exam<sup>1</sup></b>	Covered in full	Balance over \$46
<b>Lenses<sup>1</sup></b>		
Single Vision (glass or plastic)	Covered in full	Balance over \$55
Bifocal (glass or plastic)	Covered in full	Balance over \$75
Trifocal (glass or plastic)	Covered in full	Balance over \$95
Lenticular (glass or plastic)	Covered in full	Balance over \$125
<b>Frames<sup>1</sup></b>	Balance over \$120	Balance over \$45
<b>Contact Lenses (Materials, Evaluation Fee and Fitting Costs)<sup>1</sup></b>		
Necessary <sup>2</sup>	Covered in full	Balance over \$210
Elective	Balance over \$105	Balance over \$105

1 Available once every 24 months. Contact lenses are in lieu of lenses and frames.

2 VSP will determine when contact lenses are "necessary" as with member doctors. Otherwise, the "elective" allowance will prevail.

3 Members will be reimbursed up to the Plan Allowance.

# WHAT IS BALANCE BILLING?

Members need to be aware of how claims will be calculated when Out-of-Network benefits are used. There could be additional fees and paperwork if care is received from providers that do not participate with your insurance plan.

There is a maximum plan allowance that POS and PPO carriers will pay for any given procedure. Participating providers will submit claim forms for members and are under contract to accept the plan allowance determined by the carrier and cannot bill the member for the difference between the actual charge and the plan allowance. Participating providers simply disregard charges that exceed the plan allowance when processing your bill.

You may need to complete and submit claim forms for providers that do not participate with your insurance plan. **Non-participating providers will bill members for the difference between the actual charge and the plan allowance. These charges will not be applied to the member's deductible or out-of-pocket maximums.**

**In-Network Example:** Jane goes to a participating provider. Her doctor charges \$200 for a procedure and the plan allowance is \$150. Jane's bill would be calculated like this:

Doctor's Fee:	\$200
Plan Allowance:	\$150
Member Copay:	\$10
Amount paid to Provider:	\$140

**Balance of Bill: \$50\***

*\*Written off by the participating provider and not the member's responsibility.*

In this example Jane's responsibility is her \$10 copay since a participating provider was used. **Her total out of pocket is \$10.**

**Out-of-Network Example:** Jane goes to a non-participating provider. Her doctor charges \$200 for a procedure and the plan allowance is \$150. Jane has met all of her annual deductible. Jane's bill would be calculated like this:

Doctor's Fee:	\$200
Plan Allowance:	\$150
Member's 20% Coinsurance:	\$30
Amount paid to Provider:	\$120

**Balance of Bill: \$50\***

*\*Not written off by the non-participating provider and now the member's responsibility.*

In this example Jane's responsibility is her 20% coinsurance amount (\$30) plus the balance between the Doctor Fee and the Plan Allowance (\$50). **Her total out of pocket is \$80.**

# LIFE/ACCIDENTAL DEATH & DISMEMBERMENT

## Sun Life Financial

Life insurance is offered to all full-time employees. The employee life insurance plan provides a death benefit equal to one times the annual base salary of the employee up to \$50,000. Benefits are subject to a reduction by age as follows: by 35% of the original life amount at age 65, an additional 25% of the original life amount at age 70 and an additional 15% of the original life amount at age 75. Benefits will terminate upon retirement.

The benefit paid to the employee for Accidental Dismemberment of more than one of the listed losses resulting from the same accident is 100% of the life coverage amount. The benefit paid to the employee for one of the listed losses is 50% of the life coverage amount. (See your Certificate of Group Life Insurance for a complete listing of Accidental Dismemberment losses.)

All insurance amounts are issued on a guaranteed basis at the time of the employee's initial eligibility. Since the City of Takoma Park pays the entire premium for the Life/AD&D plan, employees cannot waive coverage and enrollment in the plan is automatic.

See your benefits contract for additional detailed information.

# LONG-TERM DISABILITY Sun Life Financial

All full-time employees are eligible for Long-Term Disability benefits to provide income replacement when they are unable to work due to a non-occupational illness or injury.

Employees receive Long-Term Disability benefits in the amount equal to 60% of their basic monthly earnings up to a maximum of \$5,000 per month. Benefits will become effective after 180 days of disability due to an accidental injury or sickness. Benefits will be payable up to age 65.

All insurance amounts are issued on a guaranteed basis at the time of the employee's initial eligibility. Since the City of Takoma Park pays the entire premium for the Long-Term Disability plan, employees cannot waive coverage and enrollment in the plan is automatic.

See your benefits contract for additional detailed information.

# SUPPLEMENTAL INSURANCE Colonial Life

Employees may purchase Supplemental Insurance for Disability, Accident, Cancer, Universal Life and Term Life Insurance on a pre-tax payroll deduction basis. You may apply for coverage for yourself as well as your spouse and children.

**Disability Coverage:** Provides monthly benefits to replace a portion of your income if you are unable to work due to an illness or accident (including maternity).

**Accident Coverage:** Provides help with out-of-pocket expenses related to a covered accident.

**Cancer Coverage:** Provides benefits to offset both the direct and indirect costs related to the treatment of cancer. In addition, benefits are paid directly to you for yearly cancer screening tests.

**Universal Life Insurance:** Provides financial security with flexible coverages and premiums to meet your needs, while accumulating cash value.

**Term Life Insurance:** Provides larger amounts of basic insurance when budgets are limited.

You may continue your coverage when you retire or change jobs, with no increase in premiums.

Unless specifically noted, all benefits will be paid directly to you.

Contact the Human Resources Department for information on how to enroll in any of the available Supplemental Insurance plans.

# STATE OF MARYLAND RETIREMENT

All benefit-eligible employees except for sworn officers are enrolled in the Maryland State Retirement System. Employees are required to contribute 2% of their earnable compensation to the retirement system.

## TAKOMA PARK POLICE RETIREMENT

All Takoma Park sworn officers are enrolled in the Takoma Park Police Retirement System. Sworn officers are required to contribute 7% of their earnable compensation to the retirement system.

## 457 DEFERRED COMPENSATION I.C.M.A. INVEST! WATCH YOUR SAVINGS GROW!

The City of Takoma Park's deferred compensation program has been established to provide employees with voluntary investment options designed to supplement their income at retirement.

The City's deferred compensation program is available through I.C.M.A Retirement Corporation and enables you to contribute money from your paycheck before federal and most state taxes are taken out. The pre-tax contributions lower your current income taxes which leaves more money in your paycheck. Maximum deferral percentages and dollar amounts are limited by IRS regulations.

The City will match an employees contribution to the I.C.M.A. 457 Deferred Compensation Plan up to 1% of the employees annual salary as of January 1.

**For example:** If your annual salary as of January is \$27,000 and you contribute \$270 or more during the calendar year to your deferred compensation, then the City will contribute \$270 with \$135 being forwarded to your account in June and the other \$135 being contributed in December. If you contribute less than 1% of your salary, (i.e. \$200) then the City will contribute \$200 with \$100 being forwarded to your account in June and the other \$100 being contributed in December.

The Contribution will be made in June and December.

This benefit applies to all employees who are covered by the Maryland State Retirement Plan and Crossing Guards.

**Contributions to 457 Deferred Compensation in lieu of Health Insurance Premiums:** City Staff who can show proof of health coverage from a source other than the City's group plan and sign the City's health insurance waiver form, may have an amount equal to the City's contribution for health care deposited in their I.C.M.A. 457 Deferred Compensation Plan. This deposit will be made in June and December. This benefit applies to all employees who are eligible to receive health benefits, but does not include dental or vision insurance.

The effective date for this benefit is the date that the City's contributions are stopped but no earlier than March 1, 2003 (except for those already receiving this benefit).

To be eligible, you must apply for this benefit in the Human Resources Office.



# SECTION 125 PREMIUM CONVERSION PLAN

Employees may choose to pay for insurance premiums with pre-tax dollars by electing to participate in this plan. The amount due for your medical, dental and vision insurance premiums will be deducted from your gross pay before any taxes are deducted. By using pre-tax dollars, you will reduce your taxable income and have fewer taxes taken out of your paycheck, resulting in more spendable income than if the same deductions were taken on an after tax basis.

## **What is Section 125?**

Section 125 is part of the Internal Revenue Code that allows employees to convert a taxable cash benefit (salary) into non-taxable benefits. With this plan, you pay qualified benefit premiums before any taxes are deducted from your paycheck.

## **Is Section 125 legal?**

Yes. In the Revenue Act of 1978, the United States Congress created and established Code Section 125 to make employee benefit programs more affordable.

## **How can Section 125 work for me?**

Section 125 can make your benefit plans more affordable by paying for qualified benefits with pre-tax dollars. You can actually lower your taxable income, which means you pay less tax. Paying less tax usually results in more spendable income. When you take advantage of Section 125, you will actually get "more for your money."

## **What are pre-tax dollars?**

Pre-tax dollars are the premiums you pay for qualified benefits under the Section 125 program. These premiums are deducted from your gross earnings before taxes are taken out.

## **Am I required to participate?**

No, this is not required. If you wish to enroll in any of the benefit programs, which require an employee contribution, you may or may not elect to participate in the Section 125 program and pay for these benefits with pre-tax dollars.

## **Can I enroll in Section 125 anytime?**

You must enroll in the benefits during the eligible enrollment period for the employee benefits offered. However, you can change your election during the Plan Year if you experience specified changes in status (see below).

## **What is the Plan Year for Section 125 plans?**

The Plan Year is from July 1st to June 30th.

## **Can I change my selections in Section 125 anytime I choose?**

No. You may only change selections during the applicable Plan Year for certain changes in status, such as marriage, divorce, death of a spouse or child, birth or adoption of a child, commencement or termination of spouse's employment, change in employment status by you or your spouse, loss of dependent child status and a change in the place of residence or work of the employee, spouse or dependent. You must notify the City of Takoma Park within 30 days of the change to make new benefit selections. New selections must be consistent with the status change.

# FLEXIBLE SPENDING ACCOUNTS

Flexible Spending Accounts let you set aside a portion of your paycheck to pay for certain health and dependent care expenses tax-free.

Contributions are deducted from paychecks before federal, state and Social Security taxes are computed and deposited into accounts in your name. Because you don't pay taxes on your contributions, you save money.

You pay for health and dependent care expenses as usual and get reimbursed by filing claim forms with the third party administrator. Eligible expenses must be incurred within the applicable contract year, regardless of when they are paid.

Health care and dependent care accounts are separate. You cannot transfer money from one account to another. Once you have designated a payroll deduction amount, this amount cannot be stopped or changed until the beginning of the next plan year unless you terminate employment or have a qualifying family status change.

## **How much can I contribute?**

Each year you can deposit up to \$5,000 to your Health Care Account to pay for expenses not covered under a medical plan for you, your spouse, and/or dependents. Each year you can deposit up to \$5,000 to your Dependent Care Account to pay for expenses so that you and your spouse can work.

## **Can I change my election?**

If you have a qualifying family status change, you have up to 30 days to submit a new enrollment form to Human Resources. You may also change the amount of your contributions or stop participating in the program during the annual Open Enrollment period.

## **What else should I consider?**

Any money in your account that is not used for expenses incurred by the end of the plan year and for which a claim has not been submitted within a specified amount of time (usually 60 or 90 days) after the contract year, will be forfeited. This is required by IRS regulations.

Since there is some risk involved, you should put funds into a spending account only for those expenses you feel certain will be incurred. If you leave the City of Takoma Park for any reason, any money remaining in an account can still be used for expenses incurred while you were employed.

## **Medical Spending Account**

The Medical Spending Account allows employees to pay for medical expenses that are not covered by health insurance with pre-tax dollars by making pre-tax contributions to the account. Reimbursement will be made as expenses are incurred and claims are presented. Covered expenses include, but are not limited to, annual deductibles, co-payments and out of pocket dental and vision expenses. You may use your FSA for your expenses as well as those of your spouse and other dependents. Employees may set aside up to \$5,000 of salary per year.



### **Dependent Care Account**

The Dependent Care Account can be used to pay for the care of a dependent under 13 years of age, elderly parents or a spouse or other dependent who is incapable of self-care because of a physical or mental disability.

Your annual contribution cannot exceed your earned income, that of your spouse or \$5,000 (\$2,500 if you are married and file a separate tax return).

Eligible expenses include, but are not limited to, in-home services, out-of-home services, nursery or pre-school expenses. School expenses for a child in grade school are not eligible. Payments to a relative for dependent care are eligible provided the relative is not a child of yours under age 19, or a dependent for whom you claim an exemption on your federal income tax return. Of utmost importance, you have until 90 days after the close of the contract year to submit expenses incurred during the plan year.

Please refer to your Summary Plan Description for more information and specific terms and conditions of the Plan or contact the Human Resources Department.

# HIPAA – RELEASE OF PROTECTED HEALTH INFORMATION

Due to restrictions imposed by the HIPAA Privacy Act (Gramm-Leach-Bliley Act) effective July 1, 2002, a member needing assistance with benefits and claims must either contact the carrier directly or file an ***Authorization for Release of Protected Health Information*** form to appoint another party to act in his or her behalf.

**It is recommended that each plan member complete the *Authorization for Release of Protected Health Information* form at time of enrollment** in order to appoint Human Resources as an approved representative. This will allow Human Resources to access your claim and benefit information for a period of one year. Members will continue to have direct access to their personal information by calling the toll-free number found on your carrier ID card.

**To ensure that assistance is available to you during the policy year, each insured member is advised to complete the *Authorization for Release of Protected Health Information* form.** If you choose not to complete this form at time of enrollment it will also be available for your future reference in your Human Resources Department.

The Aetna and Kaiser release forms can be found on pages 16 through 19.

# CONTINUATION COVERAGE RIGHTS UNDER COBRA

## **Introduction**

You are receiving this notice because you have recently become covered under a group health plan (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

## **What is COBRA Continuation Coverage?**

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

### **When is COBRA Coverage Available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee is becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

### **You Must Give Notice of Some Qualifying Events**

**For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to: City of Takoma Park, Human Resources, 7500 Maple Avenue, Takoma Park, MD 20912, 301-891-7201.**

### **How is COBRA Coverage Provided?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

#### ***Disability extension of 18-month period of continuation coverage***

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. You must provide a copy of the SSA determination to City of Takoma Park, Human Resources, 7500 Maple Avenue, Takoma Park, MD 20912, 301-891-7201 within 60 days of the date of the disability determination, the date of the qualifying event or the date coverage was lost or would be lost under the plan (whichever is later) and before the end of the first 18-months of continuation coverage.

### ***Second qualifying event extension of 18-month period of continuation coverage***

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### **If You Have Questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

### **Keep Your Plan Informed of Address Changes**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

### **Plan Contact Information**

City of Takoma Park  
Human Resources  
7500 Maple Avenue  
Takoma Park, MD 20912  
301-891-7201

# CONTACTS

**City of Takoma Park**

Karen Hampton  
Human Resources Manager  
301-891-7201

**Aetna**

Medical HMO Plan  
Medical POS Plan  
Member Services- 800-323-9930  
Dental DMO & PPO Plans  
Member Services- 877-238-6200  
[www.aetna.com](http://www.aetna.com)

**Kaiser Permanente**

Member Services- 800-777-7902  
[www.kaiserpermanente.org](http://www.kaiserpermanente.org)

**Vision Service Plan**

Member Services- 800-877-7195  
[www.vsp.com](http://www.vsp.com)

**Sun Life Financial**

800-247-6875  
[www.sunlife-usa.com](http://www.sunlife-usa.com)

**Colonial Life**

Member Services- 800-325-4368  
[www.coloniallife.com](http://www.coloniallife.com)

**Magellan - Employee Assistance Program**

Member Services- 800-523-5668 or  
Hearing Impaired/TTY 1-800-882-7610  
[www.MagellanHealth.com](http://www.MagellanHealth.com)

**I.C.M.A. Retirement Corporation**

Member Services- 800-669-7400  
[www.icmarc.org](http://www.icmarc.org)

**Legal Resources**

Member Services- 800-728-5768  
[www.legalresourcesplan.com](http://www.legalresourcesplan.com)

**Montgomery County Employees Federal Credit Union**

Member Services- 301-279-1964  
[www.mcefcu.org](http://www.mcefcu.org)